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DEPT FOR AF/S; AF/EPS; AF/EPS/SDRIANO
DEPT FOR S/OFFICE OF GLOBAL AIDS COORDINATOR
STATE PLEASE PASS TO USAID FOR GLOBAL BUREAU KHILL
USAID ALSO FOR GH/OHA/CCARRINO AND RROGERS, AFR/SD/DOTT
ALSO FOR AA/EGAT SIMMONS, AA/DCHA WINTER
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SUBJECT: SOUTH AFRICA PUBLIC HEALTH FEBRUARY 24 2006 ISSUE

Summary

¶1. Summary. Every two weeks, Embassy Pretoria publishes a public health newsletter highlighting South African health issues based on press reports and studies of South African researchers. Comments and analysis do not necessarily reflect the opinion of the U.S. Government. Topics of this week's newsletter cover: India and South African Joint Venture Announced; Aspen Will Supply Generic Atazanavir; HIV Test to Detect AIDS Resistance; SA Registers Tamiflu; New MCC Head; Budget 2006 Health Proposals; Antiretroviral Therapy Reduces High Incidence of TB in South African HIV-positive Children; Survey Reveals Church Youth Sexually Active; and Is There a Link Between Teenage Pregnancies and Social Grants? End Summary.

India and South African Joint Venture Announced

¶2. India's largest pharmaceutical company Ranbaxy Laboratories announced a joint venture with South Africa's Community Investment Holdings to sell low-cost generic Aids drugs. Ranbaxy will own 70% of the joint venture, named Sonke Pharmaceuticals, which will market antiretroviral medicines under the trademark "Sonke" in South Africa, Namibia and Botswana. C.I. Holdings, a black-owned company with investments in technology, logistics and health, will own the remaining 30%. The government, retail pharmacies and aid groups will distribute the drugs. CI Holding's executive chairwoman, Dr Anna Mokgokong, said the joint venture will provide Ranbaxy with new access to the markets in Botswana and Namibia. The Medicines Control Council has yet to approve Ranbaxy's drugs, but the company hopes approval will come later in 2006. Source: Sapa, IOL, February 9; The Mercury, February 19.

Aspen Will Supply Generic Atazanavir

¶3. South Africa's Aspen Pharmacare has reached agreement with U.S. firm Bristol Myers-Squibb to produce and distribute Atazanavir to about 70 countries, improving anti-retroviral drug supplies in sub-Saharan Africa. Atazanavir is the second protease inhibitor offered for technology transfer. The agreement will broaden the choice of second-line treatments

available in poorer countries, but atazanavir use may be limited by the lack of access to the boosting agent ritonavir, another protease inhibitor manufactured by Abbott Laboratories. In Europe, atazanavir is only licensed for use in treatment-experienced patients when boosted by ritonavir, but ritonavir is vulnerable to high temperatures and should not be stored outside a refrigerator for more than a few days in a hot climate. Although Abbott Laboratories has developed a heat stable tablet version of its own boosted protease inhibitor Kaletra (lopinavir/ritonavir), it has still to develop a heat stable version of ritonavir. The heat stable version of Kaletra remains unlicensed outside the United States, and Medecins Sans Frontieres (MSF) wants Abbott Laboratories to register the new version in all countries eligible to receive the drug at the no-profit access price of approximately \$500 a year. Source: BBC News and Health E-News, February 16; Business Day, February 17.

HIV Test to Detect AIDS Resistance

14. Medical testing firm Davies Diagnostics is planning to launch a new HIV test in South Africa that can identify the small minority of patients who take up to 20 years to develop AIDS. Most HIV-positive people will develop AIDS-related illnesses within three to five years; however, some stay healthy for longer. The test, developed by French firm Ivagen, enables doctors to identify patients who can safely delay in taking antiretroviral medicines. The new test detects anti-R7V antibodies, which are present in the blood of long-term nonprogressors. The test costs R200 (\$33, using 6 rand per dollar). Scientists believe these antibodies offer protection against the disease, although the exact mechanism is not yet understood, said Dr Alan Smith, chief specialist virologist for KwaZulu-Natal province. President of the Southern Africa HIV

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Clinicians Society Dr Francois Venter expressed doubts, saying he was unsure what extra value the test would add to conventional HIV monitoring. Source: Business Day, February 16.

SA Registers Tamiflu

15. The Medicines Control Council has registered Swiss pharmaceutical firm Roche's antiviral drug Tamiflu as part of its plans for combating the threat of avian flu. Although as yet unproven, the drug is considered the best weapon for treating people should the deadly H5N1 avian flu mutate into a form easily transmitted between people. While registration of Tamiflu means government and the private sector can import and prescribe the drug, it remains to be seen how swiftly South Africa can obtain supplies. The Department of Health had not yet decided how much Tamiflu to stockpile, and planned to discuss its potential needs with Roche soon, according to Health Department's spokesman Solly Mabotha. He declined to discuss how quickly SA would be able to obtain supplies. According to Mabotha, the Health Department has finalized its flu preparedness plan, and submitted it to the cabinet for approval at its next meeting in March. Orders for Tamiflu would be fulfilled on a first-come, first-serve basis, and the lead time for such orders is 15-18 months. At least 11 countries have reported bird-flu outbreaks over the past three weeks, an indication the virus is spreading faster. Source: Reuters and Sapa, February 21.

New MCC Head

16. Health Minister Tshabalala-Msimang has appointed Mandisa Hela the new registrar of medicines who oversees the Medicines Control Council (MCC), responsible for evaluating new medicines and drug trials. Hela takes over from the department's director-general, Thami Mseleku, who held the post as a temporary measure after the departure of former registrar

Humphry Zokufa last November. Zokufa quit to work with the Board of Healthcare Funders, a body representing medical schemes and their administrators. MCC has had three heads in the past 14 months, since Precious Matsoso left in December 2004. The council is currently an independent body charged with ensuring that all medicines used in South Africa are safe, effective, and of high quality. The MCC has been criticized by the pharmaceutical industry for the length of time it takes to approve new medicines. Source: Business Day, February 21.

Budget 2006 Health Proposals

17. Finance Minister Trevor Manuel presented South Africa's 2006 Budget, which outlined revenue and expenditures programs over the next three years. Education and health spending remain key expenditure priorities. Changed tax treatments of medical expenses, helping primarily lower income groups, and retirement savings are additional important revenue proposals impacting the health industry.

18. The revised tax treatment of medical expenses was announced in November 2005 and will be implemented in March 2006. Up until now, employers have been allowed to pay two-thirds of their medical insurance contributions as a tax-free benefit. Now, monthly monetary caps for medical insurance contributions are introduced and individual tax deductible medical expenses will be raised from 5% to 7.5% of income. Taxpayers 65 and older can deduct all their medical expenses. Only 5% of South African population earning between R2,000-R5,000 (\$333-\$833) per month are covered by medical insurance.

19. Savings for retirement received a tax break, as taxes on retirement funds were cut to 9% from the previous tax rate of 18%. Reductions in retirement taxes should increase South Africa's relatively low savings rates.

110. As a result of providing more anti-retroviral treatment, real (adjusted for inflation) health expenditures will increase 7.3%, 3.6%, and 3.1% in fiscal years 2006/07, 2007/08, and 2008/09, respectively. A substantial amount of total 2006/07 health spending of R54.5 billion (\$9.1 billion) is targeted at

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improving health care infrastructure and service delivery. The hospital revitalization program received an additional R900 million (\$150 million), increasing the national budget funding for improvements to provincial hospitals from R1.2 billion (\$200 million) in 2005/06 to R2 billion (\$330 million) in 2008/09.

111. National Treasury estimated that 112,000 patients were enrolled in the HIV/AIDS antiretroviral program. Total spending for HIV/AIDS in 2006/07 is R1.9 billion (\$320 million), up from R1.5 billion (\$250 million) last year. HIV/AIDS spending is expected to reach R2.1 billion (\$350 million) in 2008. Funding for condoms has increased from R70.8 million in 2002/03 to R147.9 million in 2008. Treasury Minister Manuel allocated R40 million (\$6.7 million) to manage and monitor the government's national HIV and AIDS plan and an additional R 52.7 million (\$8.8 million) will go to non-governmental organizations. The HIV/AIDS program consumes 94% of the total budget available for Strategic Health Programs in 2006/07, up from 64% in 2002/03's budget. The national government plans to spend R6.7 billion (\$1.1 billion) in grants to provinces over the next three fiscal years. Approximately 80% of the total HIV budget is spent on health, with relatively little on education and social aspects.

112. Spending on social security grants will increase by a total of R80.6 billion (\$13 billion). Disability and old age grants rise to R820 (\$137) per month, an increase of R40. The foster care grant is now R590 (\$98) per month, an increase of R30. Finally, the child support grant (reaching children up to the age of 14) increases by R10 to reach R190 (\$32) per month. Source: Business Report and Business Day, February 16;

Antiretroviral Therapy Reduces High Incidence of TB in South African HIV-positive Children

¶13. According to a study by researchers at the University of Witwatersrand, HIV-positive children in South Africa have an extremely high incidence of tuberculosis (TB), but antiretroviral therapy (ART) substantially reduces TB suspected cases. However, the benefit was not as clear-cut when looking at cases of confirmed TB. This finding corresponds with another study showing a greater tendency to treat suspected TB in children who were going to receive ART. Taken together, this may represent another benefit of the ART rollout. Community rates of TB in both adults and children are very high in South Africa with reported rates of over a thousand per hundred thousand. An estimated 15% of the total TB case load is contributed by children up to 14 years of age in regions with a high burden of HIV and TB; however, pediatric TB is relatively under-reported in South Africa and sub-Saharan Africa.

¶14. With the national rollout of ART in South Africa, a 50-80% reduction in the incidence of TB has been observed in ART-treated adults with HIV. Since about 10% of those on ART in South Africa now are children, the University of Witwatersrand study examines if there has been a similar reduction in the incidence of TB diagnosis and the incidence of confirmed TB in children treated with ART when compared to those who have not received ART.

¶15. The study used reviews from records of ART-treated and untreated children attending four South African ART clinics: three in Johannesburg and one in Cape Town. 992 children under 15 years of age were included in the study. Two thirds of the cohort received HAART for more than three months. Children receiving ART tended to be more immune compromised. However, despite this, they had fewer TB diagnoses. The incidence of TB in all the patients not on ART was 16.3 per 100 child years, which was reduced to 6.3 per 100 child years for those on ART. When just looking at the children who received ART, reduction in TB incidence became 21.6 per 100 child years (before treatment) compared to 6.3 per 100 child years (after treatment). According to reports from doctors, it appears that they are more willing to give TB treatment by itself when there is a suspected TB case than to wait till they are on antiretrovirals and then have to deal with treating children with both TB treatment as well as antiretrovirals. Source:

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AIDSMAP February 9.

Survey Reveals Church Youth Sexually Active

¶16. Anglican teenagers in the Western Cape are almost as sexually active as their peers outside the church, according to a survey reported in the latest issue of the South African Medical Journal. The survey, in which 1 306 youngsters were questioned, was carried out by researchers from the Cape Town-based Fiklela AIDS project and the University of Stellenbosch's theology department. A total of 31% of the Anglicans aged 12 to 19 were sexually active, compared with a figure of 38% reported for Western Cape youth in general by the South Africa Youth Risk Behavior (SAYB) Survey. The sexually active church-based youngsters appeared to have a higher rate of multiple partners (66%) than the 48% reported in the SAYB survey. Sixty five percent of the Anglican youngsters had not used a contraceptive during their first sexual encounter. Only 33% of them believed that oral sex was actually sex, and only half that anal sex was indeed sex. Source: Sapa, February 10 and IRIN News, February 13.

Is There a Link Between Teenage Pregnancies and Social Grants?

¶17. Minister of Social Development Zola Skweyiya announced that the government is sponsoring research to investigate whether teenage pregnancies are being driven by people who want access to the Child Support Grant and a final report would be presented to the Cabinet. The minister declined to comment on reports that some people living with HIV/AIDS were reluctant to start on anti-retroviral drugs as they feared that, once their health improved, they would no longer be eligible for a disability grant. Skweyiya stated that the government depends only on the on the medical report when approving or continuing a grant. The minister confirmed that a total of 516 cases of social grants fraud were brought to court by December 22 with 128 convictions. At least half the 12,000 public servants found to have defrauded the system are expected to be prosecuted by the end of March 2007 and the remainder by 2008, once investigations were completed. The total number of poor households in the country is estimated at 5,682,272 out of a national household total of 12,701,572. Two-million households (8.2-million people) have been provided with basic sanitation since 1994. Source: Health-E News, February 8.

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